VZCZCXRO1790
OO RUEHCN RUEHGH RUEHVC
DE RUEHBJ #0679 2701151
ZNY CCCCC ZZH
O 271151Z SEP 06
FM AMEMBASSY BEIJING
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8334
INFO RUEHOO/CHINA POSTS COLLECTIVE
RHEHNSC/NSC WASHDC
RHHJJAA/JICPAC HONOLULU HI
RHHJOBU/JICPAC OIC HONOLULU HI

CONFIDENTIAL BEIJING 020679

SIPDIS

SIPDIS

E.O. 12958: DECL: 09/26/2031

TAGS: PREL PGOV JA CH

SUBJECT: PRC-JAPAN STRATEGIC DIALOGUE: VFM DAI RETURNS FROM TOKYO WITH NO SILVER BULLET TO RESOLVE HISTORY DISPUTE

REF: A. BEIJING 20509 <u>1</u>B. TOKYO 5608

Classified By: Acting Political External Unit Chief Eric Richardson. Reasons 1.4 (b/d).

- 11. (C) SUMMARY: China's "Strategic Dialogue" with Japan finally ended September 27 amid upbeat rhetoric but no concrete decision about the possibility of a summit meeting between Chinese President Hu Jintao and newly elected Japanese Prime Minister Shinzo Abe. According to the Japanese Embassy here, EVFM Dai Bingguo remained in Tokyo longer than expected for the talks to await Abe's first public remarks as PM before returning to Beijing. The talks focused on historical issues and bilateral relations. Some interaction between Hu and Abe on the margins of November's APEC Leaders Meeting was seen as likely but a decision about resuming leadership meetings may await the outcome of lower-level bilateral visits in October. Japanese officials here viewed Beijing's media coverage of Abe's election and the congratulations message sent him by Premier Wen Jiabao as mildly positive signs. END SUMMARY.
- 12. (C) The Sino-Japanese Strategic Dialogue ended September 27 without concrete decisions about the future direction of bilateral relations or the resumption of high-level meetings between the two countries' leaders, according to Japanese Embassy Political Counselor Kazuhiro Suzuki. EVFM Dai Bingguo, who headed the Chinese delegation, returned to Beijing September 27, one day after China's Foreign Ministry spokesman said the Dialogue would go on for "as long as it takes" (ref A). Suzuki said EVFM Dai remained in Tokyo until after Abe's election and first press conference as PM to be sure that Dai's report to leadership in Beijing took into account Abe's initial public remarks as PM. (Note: Suzuki noted that Dai had been "burned" when former PM Koizumi visited the Yasukuni Shrine in October 2005, only days after Dai's upbeat report to Chinese leaders on the last round of Strategic Dialogue.)
- 13. (C) Dai's September 25 meeting with Foreign Minister Aso focused almost exclusively on historical issues and the possibility of a future summit meeting. EVFM Dai, accompanied by Asia Department DG Hu and Japan Division Counselor Hong, emphasized China's hope for improvement in bilateral ties under Prime Minister Abe. China's view about the harm done by Japan's treatment of historical issues and its insistence that the Prime Minister, Foreign Minister and Chief Cabinet Secretary should not visit Yasukuni Shrine remained unchanged, according to Suzuki. FM Aso said the Japanese Government continues to deal with historical issues and the question of the Class A War Criminals at Yasukuni Shrine, but emphasized that the matter was a domestic one and if China insisted on making it into a foreign policy matter, it would continue to inflame anti-Chinese sentiment and

damage the bilateral relationship.

October Visits Key To Possibility Of A Summit

14. (C) The next step in determining whether China is prepared to hold a formal summit between Hu and Abe will be a series of meetings in mid-October. Chinese Communist Party International Department Head Wang Jiarui will travel to Tokyo October 15-17 for talks with the new LDP Secretary General Hidenao Nakagawa. If Hu Jintao is prepared to take further steps towards a summit, he might use Wang's visit to convey the message, Suzuki speculated. Separately, Chikage Ogi, speaker of the Upper House of Japan's parliament, will visit Beijing October 15. Japanese Embassy Counselor Kazuya Endo separately told poloff September 26 that Tokyo was extremely optimistic about some kind of interaction between Abe and Hu on the margins of the November APEC Leaders Meeting.

Chinese Congratulations, Rhetoric Mildly Upbeat

15. (C) The congratulations message conveyed to PM Abe by Chinese Premier Wen Jiabao September 26 was positive but nothing out of the ordinary, Suzuki said. Tokyo considered as more significant Chinese media reports and the Foreign Ministry spokesman's remarks (ref A) emphasizing Beijing's willingness to improve bilateral ties and the absence of a heavy focus on historical issues, Suzuki said. But the Japanese Embassy took issue with the Foreign Ministry spokesman's statement that China is waiting to see if Abe's good words are followed up by deeds, Suzuki said. SEDNEY